



# RRB News

## U.S. Railroad Retirement Board

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### **Railroad Retirement Benefit Increases**

Railroad retirement annuities, like social security benefits, are scheduled to increase in January 2001 on the basis of the rise in the Consumer Price Index (CPI) during the 12 months preceding October 2000.

Cost-of-living increases are calculated in both the tier I and tier II benefits included in a railroad retirement annuity. Tier I benefits, like social security benefits, will increase by 3.5 percent, which is the percentage of the CPI rise. Tier II benefits will increase by 1.1 percent, which is 32.5 percent of the CPI rise. Vested dual benefit payments and supplemental annuities also paid by the Railroad Retirement Board are not adjusted for the CPI rise.

In January 2001, the average regular railroad retirement employee annuity will increase \$37 a month to \$1,418 and the average of combined benefits for an employee and spouse will increase \$53 a month to \$2,043. For aged widow(er)s, the average survivor annuity will increase \$25 a month to \$851.

If a railroad retirement annuitant also receives a social security benefit, the increased tier I benefit is reduced by the increased social security benefit. Tier II cost-of-living increases are not reduced by social security increases.

For those beneficiaries covered by Medicare, the basic Part B premium generally deducted from monthly benefits increases from \$45.50 to \$50.00 in 2001.

In late December, annuitants will receive letters from the Railroad Retirement Board providing a breakdown of their increased annuity rates.

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